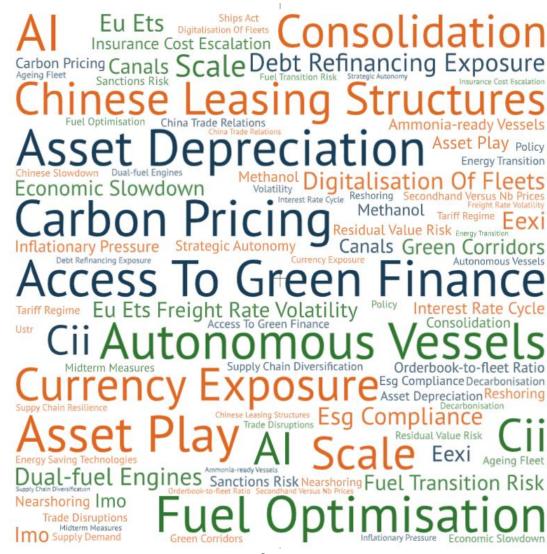


## **Shipping's Not Short of Hot Topics**

### ... and they keep coming

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values









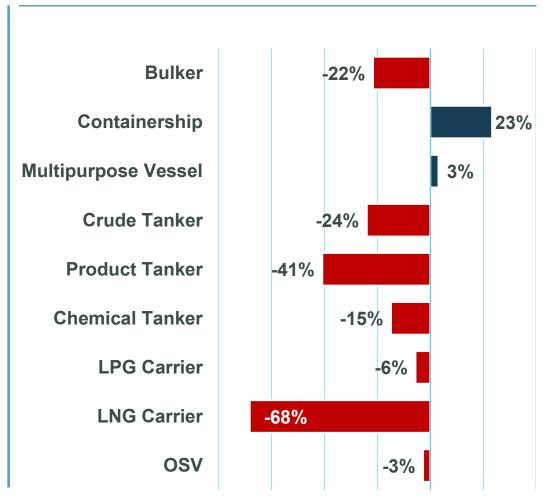
## 12 Months – A Long Time in Shipping

#### Almost all markets have softened

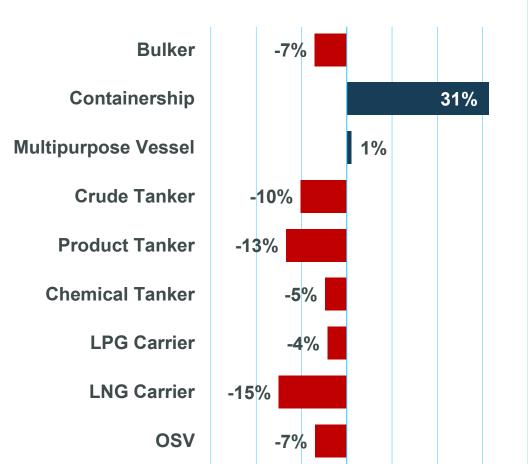
1 Yr TC Rate



- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### 10 Year Old Prices

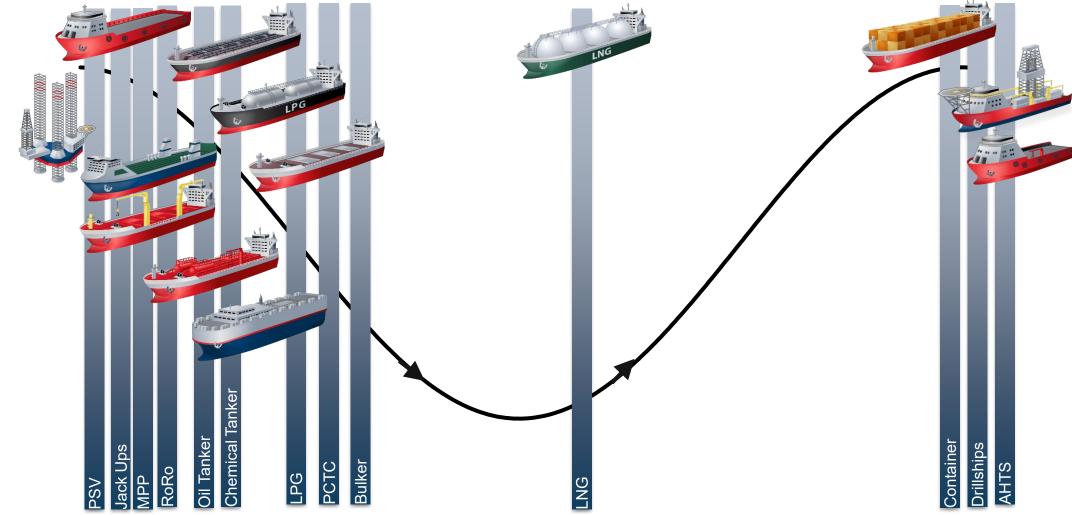




## **Current Earnings**

## Where are we on the cycle?

- **Headlines**
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



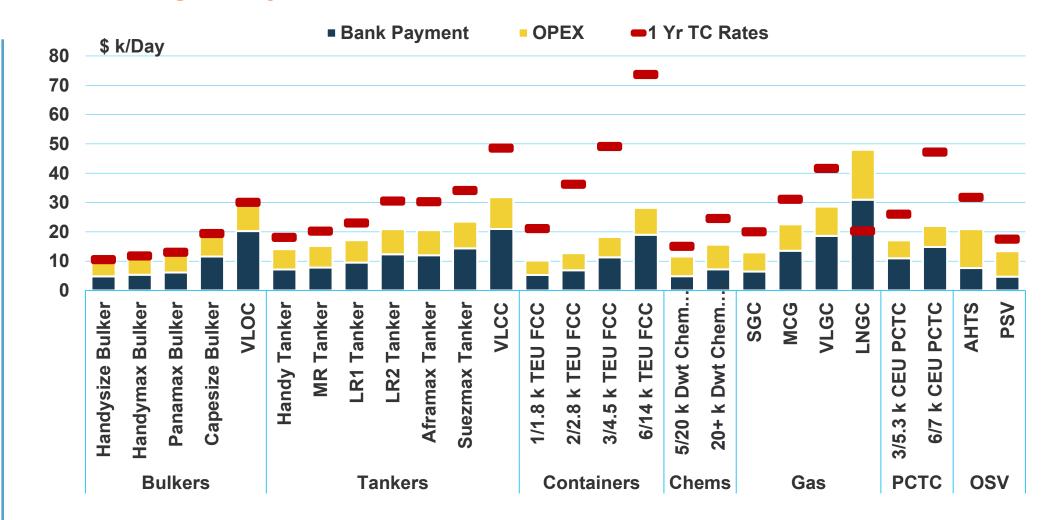
Note: Infographic for illustrative purposes only!



## **Current Breakeven Versus Earnings**

## Many sectors still making money even at lower rates

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values

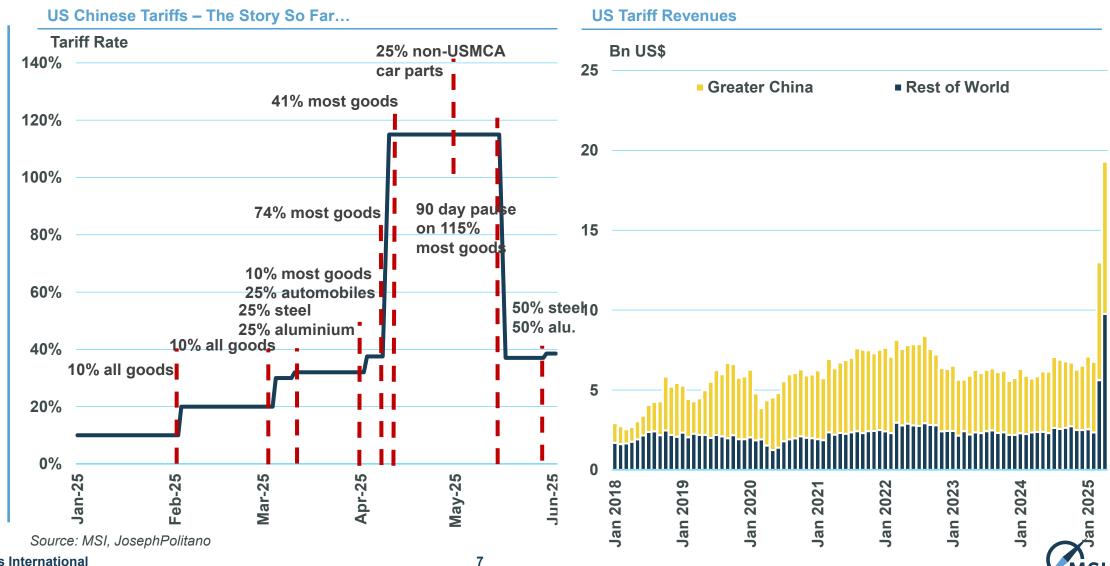




## **Trump's 2025 Tariffs**

## An uncertain world just got even more complicated

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values

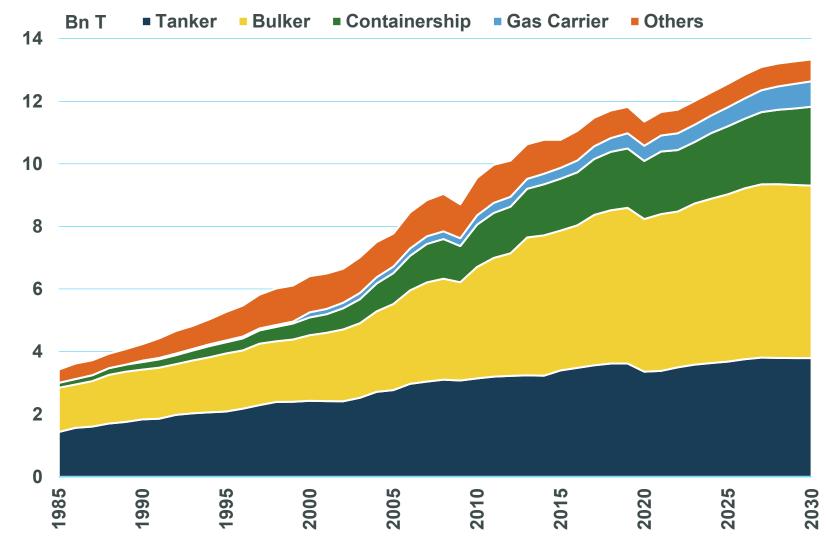




## **Cargo Growth**

## Improved position versus the last 5 years, but not what it once was

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



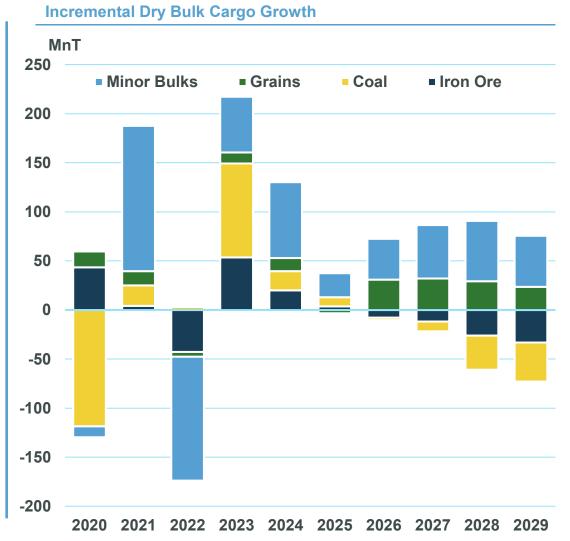
5 Year Period	Average Growth
1985-1989	3.9%
1990-1994	4.7%
1995-1999	4.3%
2000-2004	4.5%
2005-2009	3.2%
2010-2014	4.7%
2015-2019	2.0%
2020-2024	0.8%
2025-2029	1.6%



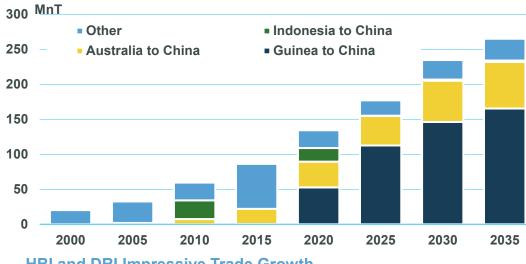
# **Dry Bulk**

## **Expanding and new trade routes**

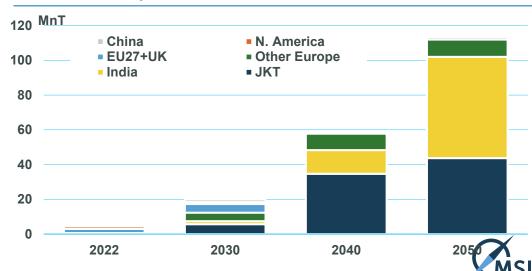
- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **Seaborne Bauxite Trade – Increasing**



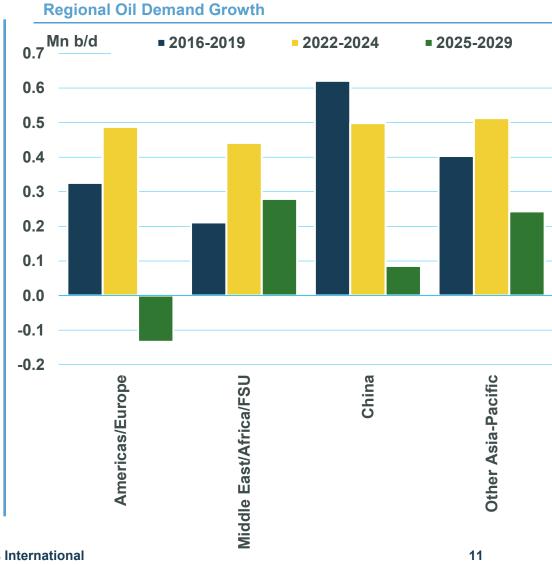
#### **HBI and DRI Impressive Trade Growth**



### **Oil Tankers**

## Demand shift and changing focus on export hubs

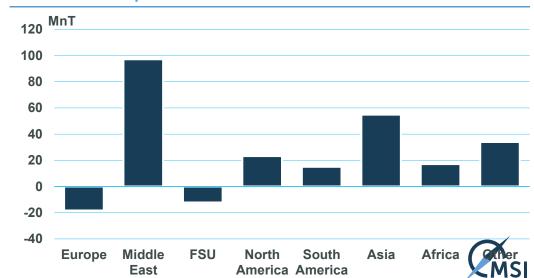
- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **Crude Oil Exports**



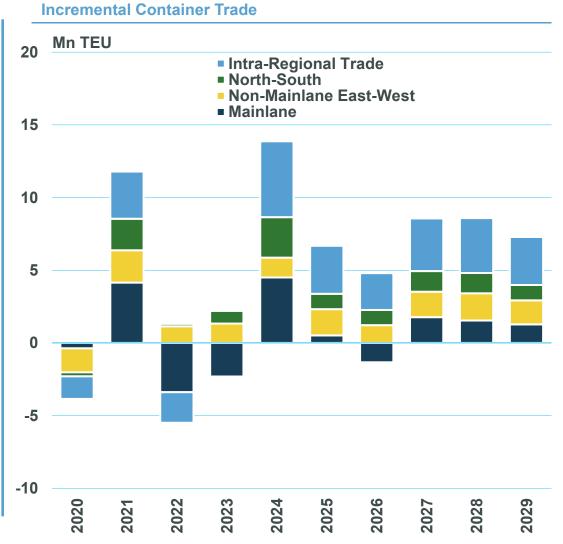
**Net Product Exports 2035 versus 2020** 



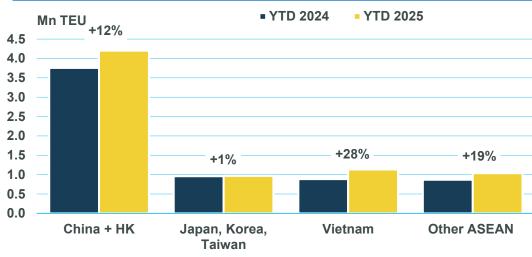
### **Containers**

## **Demand will continue to post growth**

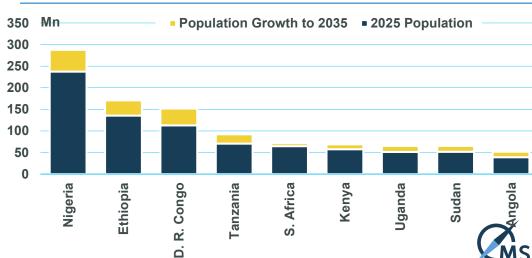
- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **Asia Containerised Exports to the US**



#### **Projected Population Growth of Large Sub-Saharan African Nations**

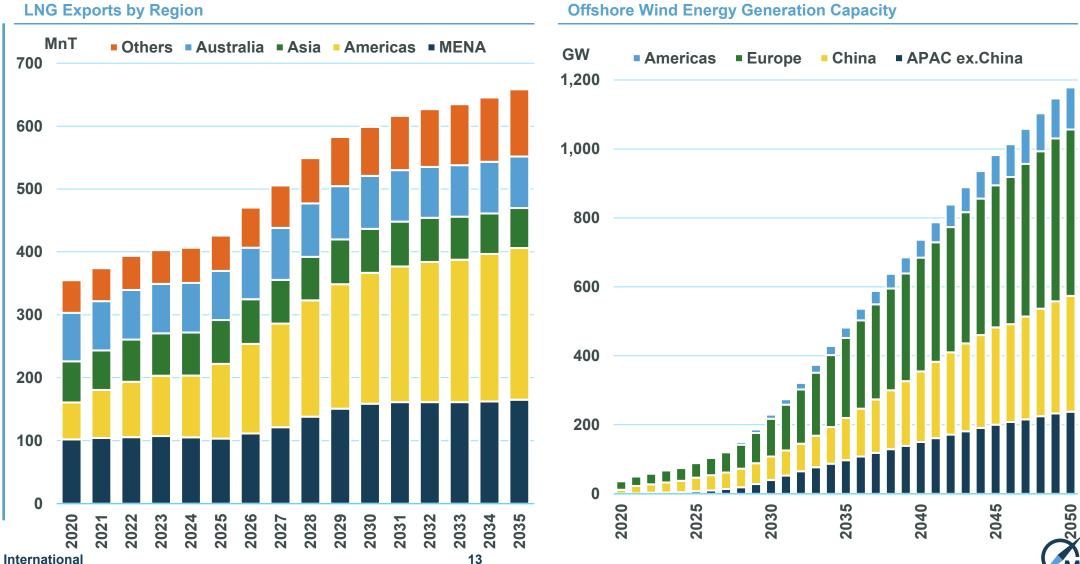


### **Stella Demand Outlooks**

## The demand side of the equation looks very promising for some sectors



- Cargo
- Vessel Demand
- Supply
- Earnings & Values

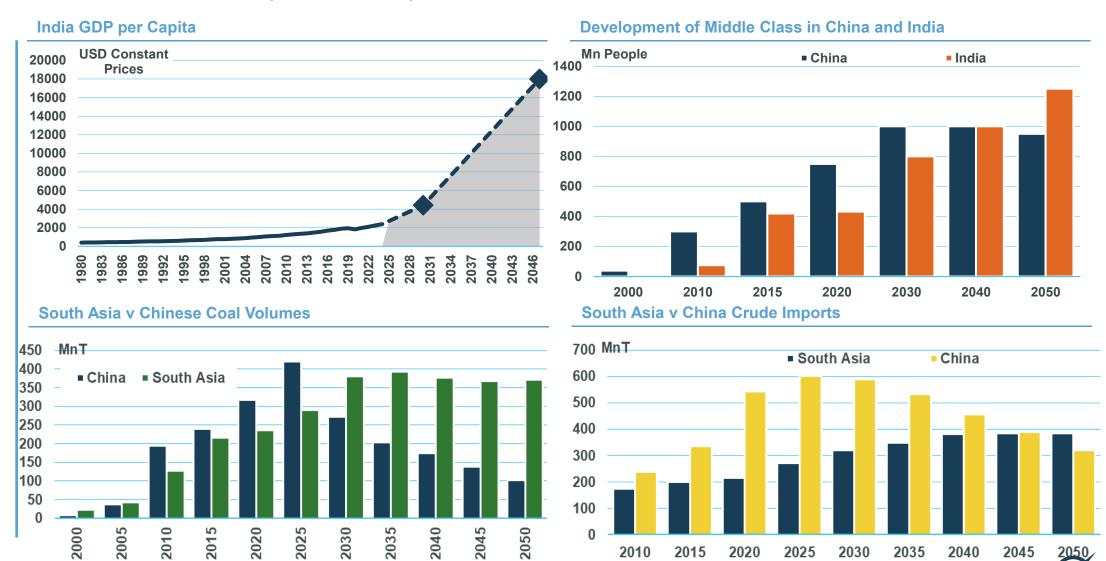


### **Could South Asia Be The New China?**

## Growth but not as we know it (but similar)



- Cargo
- Vessel Demand
- Supply
- Earnings & Values



2015

2020

2025

2030

2035

2040

2045

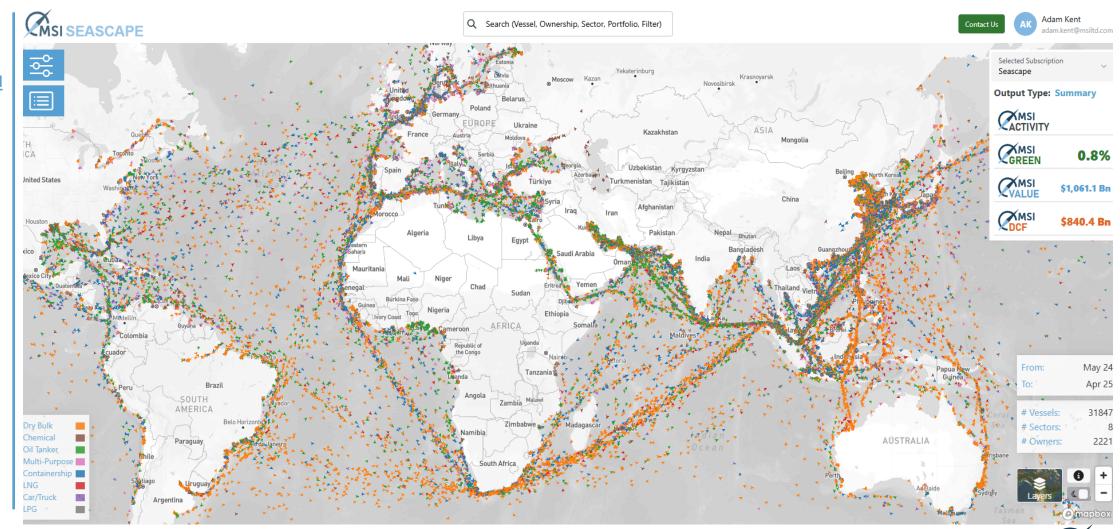
2010



## **Inefficiencies, Deviations & Tonne Mile**

## Continue to support earnings but for how long?

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values

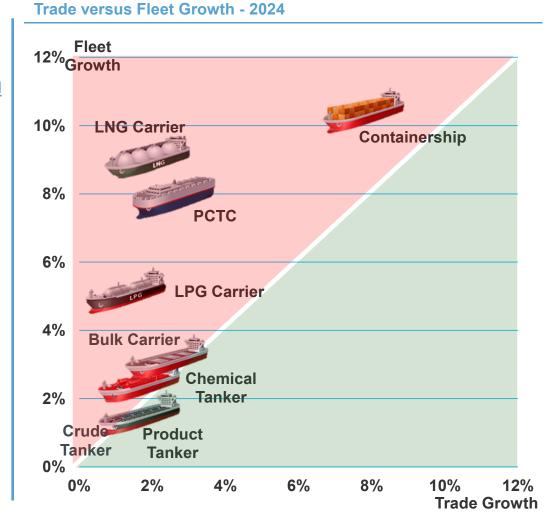




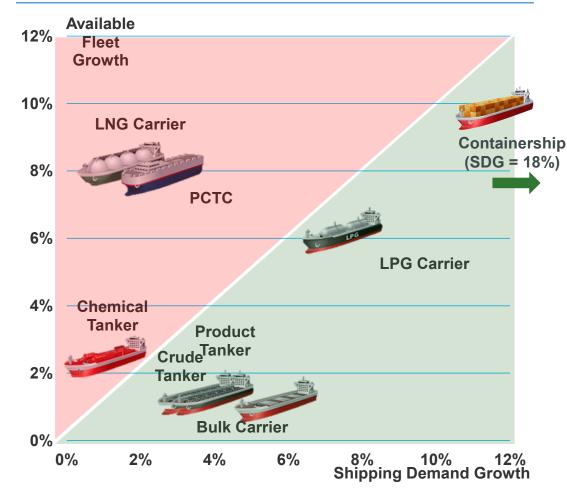
# **A Slightly Different Story**

## Things could have been a lot worse

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **Shipping Demand versus Available Fleet Growth - 2024**



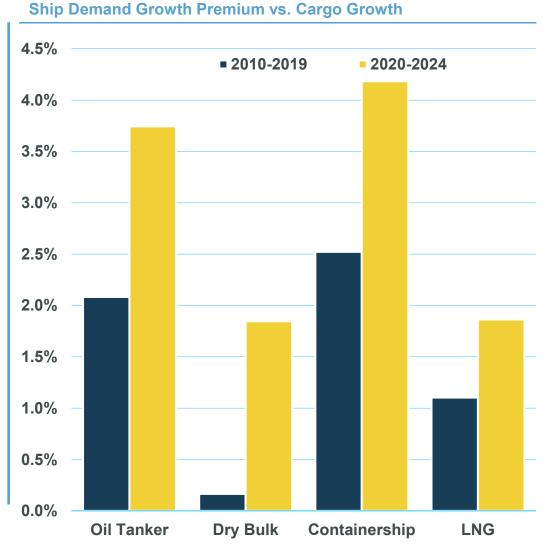


## **Vessel Demand More Important Than Ever**

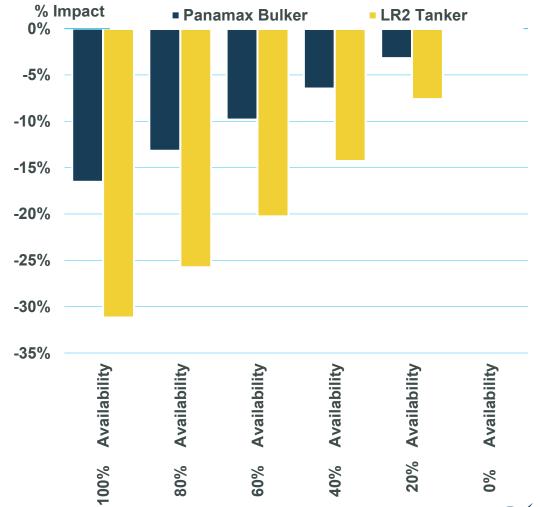
## How long will it last?



- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **Earnings Impact Depending on the Annual Availability of Suez Canal**



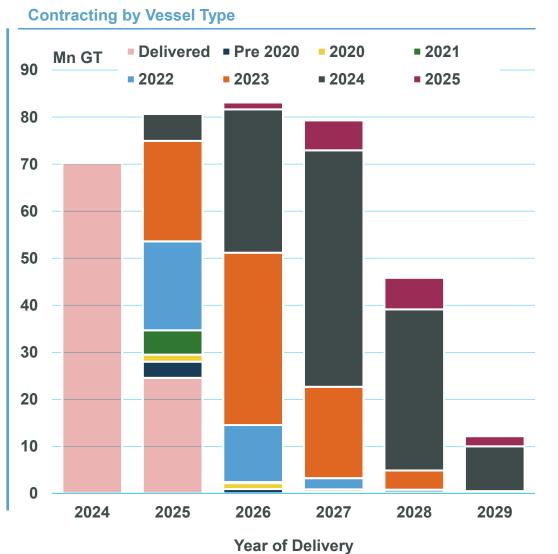


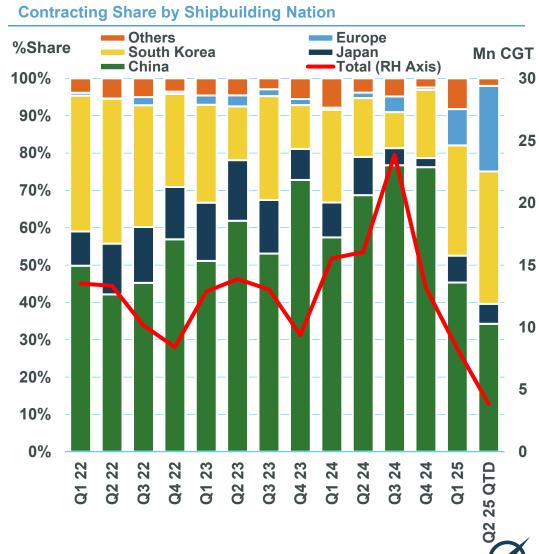




## **Contracting**

## Time lag in deliveries is an issue, though is China's share of orders beginning to wane?



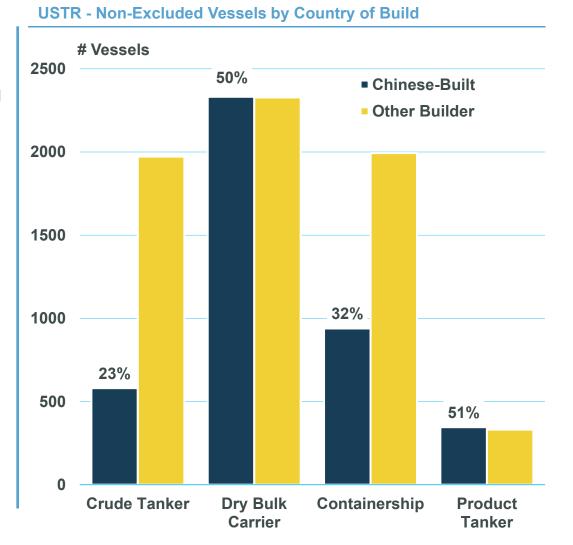


• S

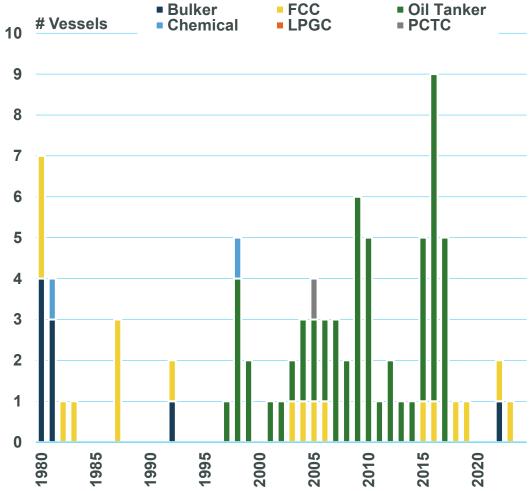
# **USTR** and **US** Shipbuilding

## **Further disruption**

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### **US Shipyard Output – Ocean Going Merchant Vessels Only**

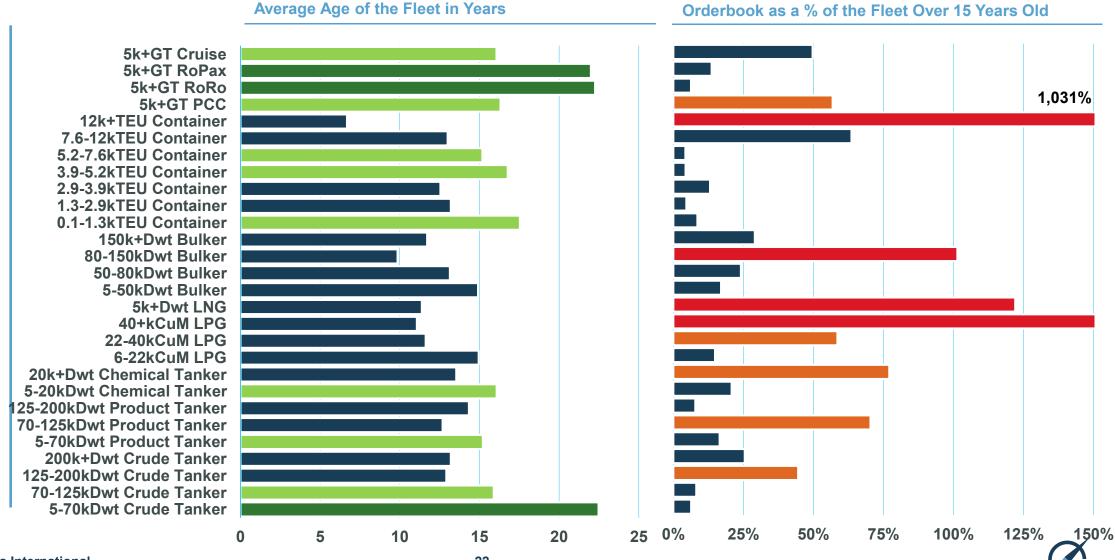




## **Orderbook and Ageing Fleet**

## Opportunities still exist but need to be mindful of age profile and orderbook

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values

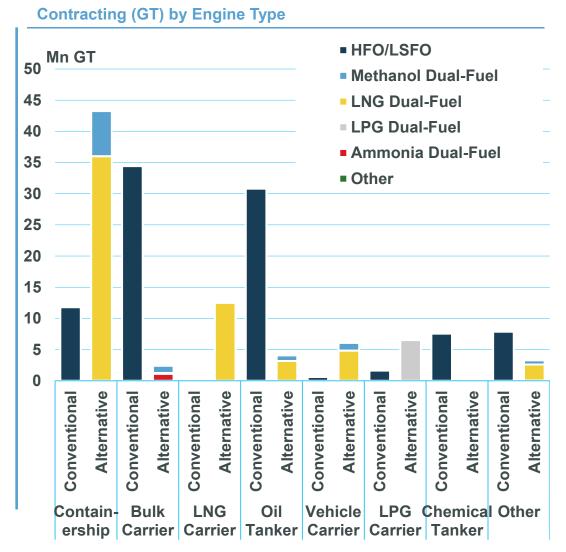


## **Alternative Fuel Contracting Over Last 18 Months**

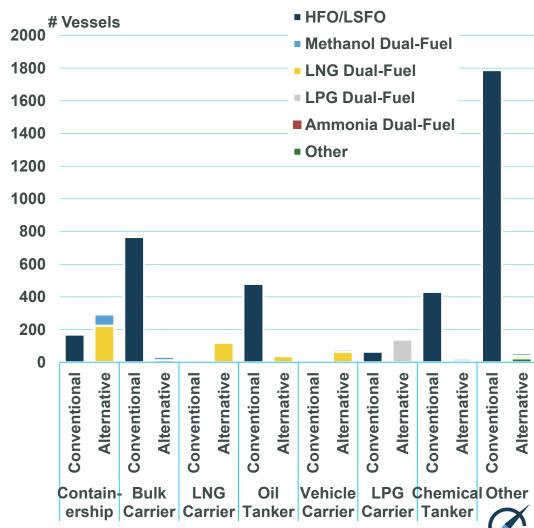
## Remain focused on containers and big ships



- Cargo
- Vessel Demand
- Supply
- Earnings & Values



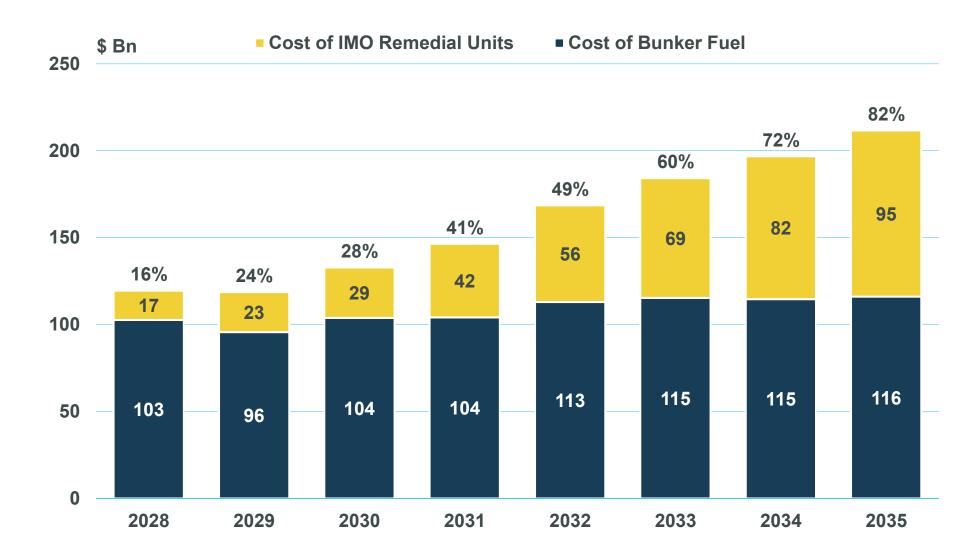
#### **Contracting (Number of Ships) by Engine Type**



## **IMO Midterm Measures**

### Projected fuel costs and IMO penalties for vessels on MSI's SEASCAPE platform

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values





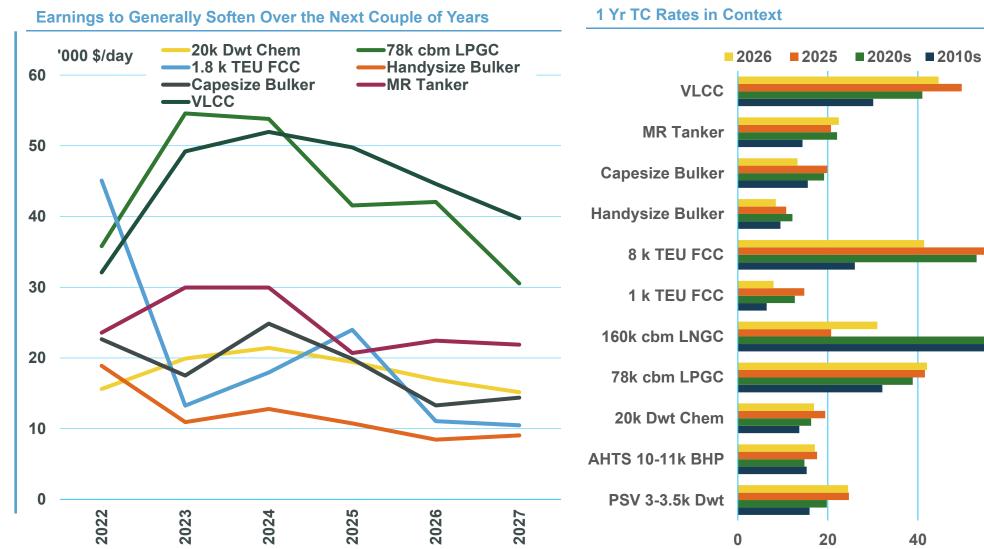




## **Earnings**

### A period of softening, though has to be viewed in context

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values





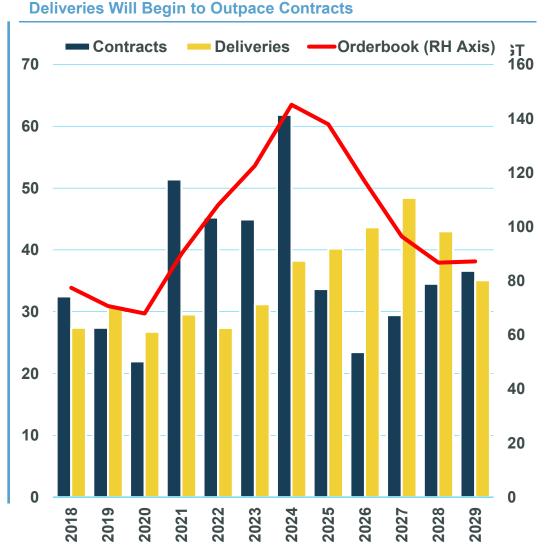
80

60

## **Newbuilding Prices**

### Are and will continue to decline

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



#### ... Newbuilding Prices Will Follow Yard Cover Avg. Yard Price (\$/CGT) 3,500 3,000 2,500 2,000 • 1980s •1990s 1,500 • 2000 to 2003 • 2004 to 2008 • 2009 to 2013 • 2014 to 2016 1,000 • 2017 to 2020 • 2021 to 2024 **2025** 500 **2026**

3.5

4.0

20272028

3.0

1.0

1.5

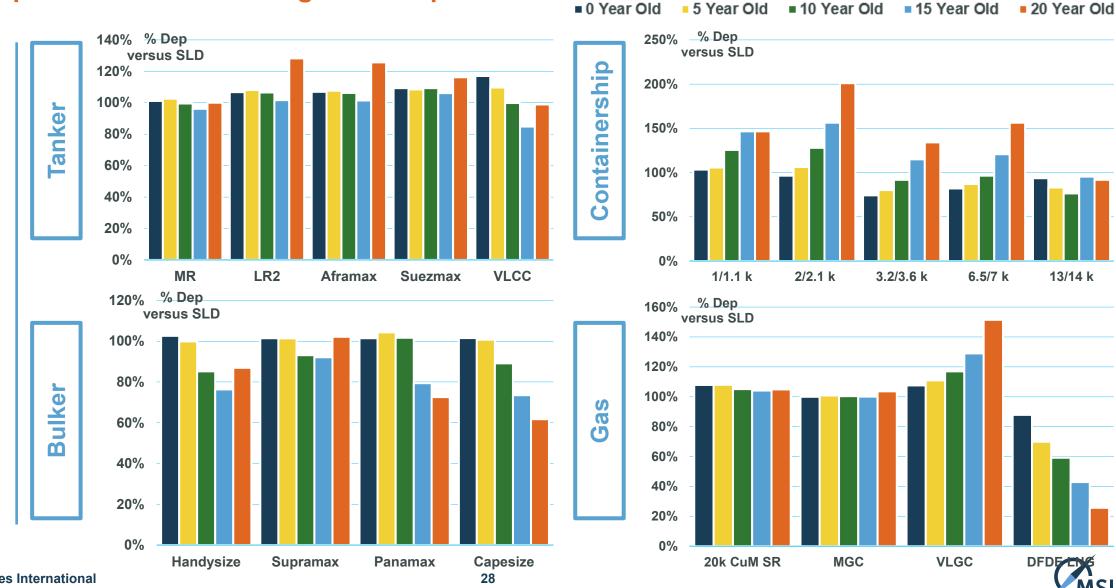
2.0

2.5

### **Secondhand Prices**

### Market depreciation versus straight line depreciation

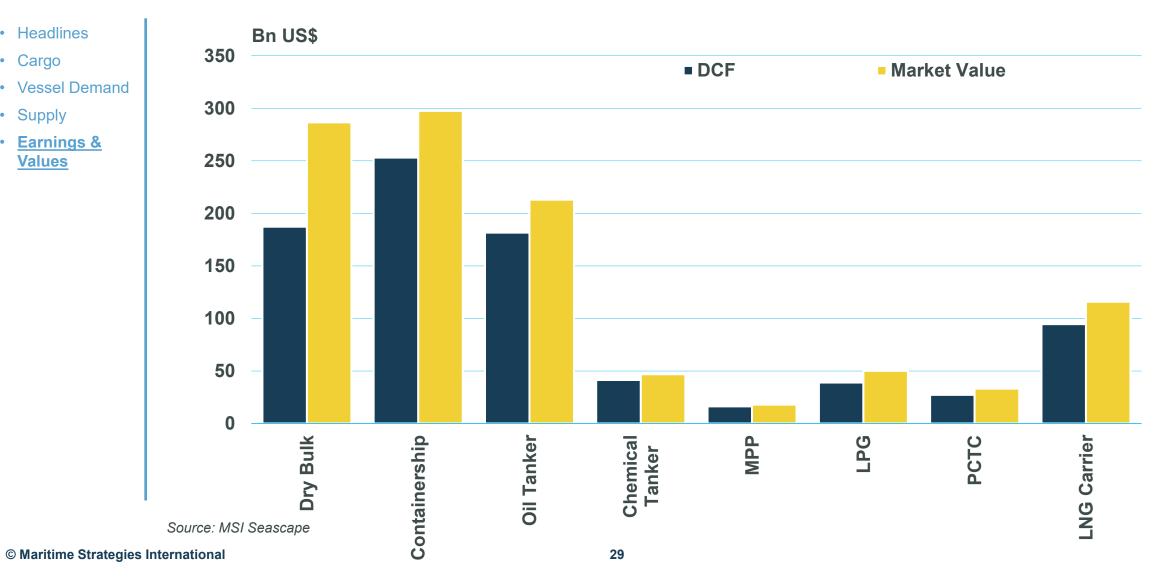
- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & Values



## **Fleet Value Disconnect**

## **Market values higher than DCF**

- Headlines
- Cargo
- Vessel Demand
- Supply
- Earnings & **Values**



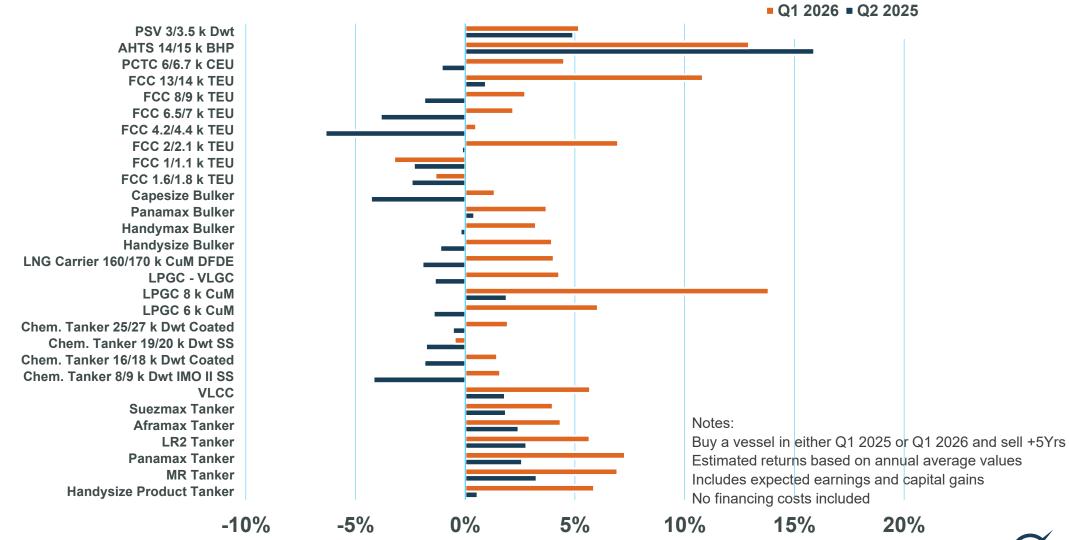


### 10 Yr Old IRR – 5 Year Investment

## Timing, as ever, remains key



- Cargo
- Vessel Demand
- Supply
- Earnings & Values



## **MSI** Background and Disclaimer

For 40 years, MSI has developed integrated relationships with a diverse client base of financial institutions, ship owners, shipyards, brokers, investors, insurers and equipment and service providers.

MSI's expertise covers a broad range of shipping sectors, providing clients with a combination of sector reports, forecasting models, vessel valuations and bespoke consultancy services.

MSI's team is comprised of professionals with extensive academic credentials, deep industry knowledge and many years experience of delivering successful client projects.

MSI balances analytical power with service flexibility, offering a comprehensive support structure and a sound foundation on which to build investment strategies and monitor/assess exposure to market risks.

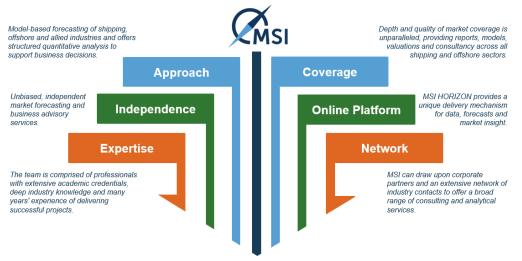
While this document has been prepared, and is presented, in good faith, MSI assumes no responsibility for errors of fact, opinion or market changes, and cannot be held responsible for any losses incurred or action arising as a result of information contained in this document. Although any forecasts contained in this document are based on MSI's assumptions, there can be no assurance that these forecasts will prove to be accurate, as future events could differ significantly. Any forward statements, forecasts or trends contained in this presentation are not guarantees of the future and therefore no reliance should be placed on them. The copyright and other intellectual property rights in data, information or advice contained in this document are and will at all times remain the property of MSI.



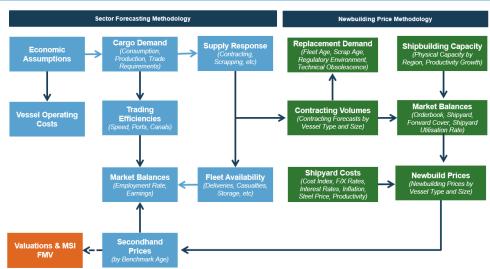
#### Introduction to MSI

#### Maritime consultancy firm offering modelling, data, asset valuation and strategic advisory services

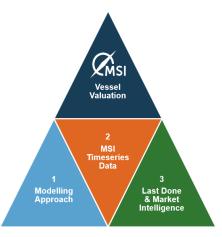
#### **MSI's Strategic Advantage**



#### Forecasting Models (All Marine Markets) & Market Reports



#### **Current and Forecast Asset Valuations**



MSI independent valuations are derived by applying a metaanalysis approach using:

- MSI's proprietary econometric modelling processes and
- Vessel benchmarked and analysed in relation to MSI published timeseries data
- Vessel directly compared to last done sales and current market intelligence on likely sale candidates and prices.

#### MSI's valuation services include:

- · Certificated spot valuations
- · Vessel forecasts (value, earnings, nb price and opex)
- · Charter attached valuations
- · Option price valuations
- Forecast value sensitivity and stress testing
- RVI support including soft value, forced value, recessionary value, cautious plausible value, 1 in 100 value etc.
- · Historical value development and static age data
- Valuation briefing notes
- Valuation reports
- Expert witness/Expert testimony

#### MSI is a member of:

**Baltic** 

**Baltic Expert Witness** 

#### **Advisory Services**

- How do the Company's assets and market position benchmark against MSI's forecasts?
  - 2. Is there a clear strategic vision for the development of the business?
  - 3. Does the market, customer and competitor analysis in the Business Plan align with MSI's assessment?
  - 4. Does the market, customer and competitor analysis in the Business Plan align with MSI's assessment?
  - 5. What external stakeholders will influence the business plan's success or failure?
  - 6. Are the financial projections realistic considering MSI's forecasts?
- 7. What are the key enablers for success and where do the key risks and considerations lie?

- Based on the results of the analysis, MSI will review the Company's existing business plan to assess:
  - Viability relative to external market conditions
  - Feasibility based on the Company's likely ability to deliver upon it
- The review will focus on the following factors:
  - Market- related
  - Financial
  - Organisational structure
  - Office locations
  - Operating cost benchmarking
- Overhead costs
- Management team experience
- Business development process
- Opportunity red flag report

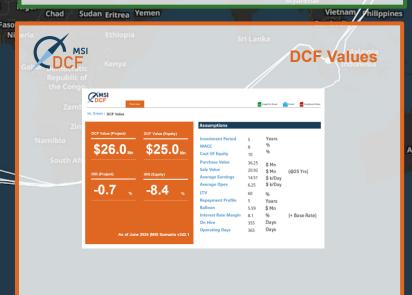




Zealand











Papua New Guinea



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